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TOM LYTHGOE, CHAIR

KEN WEBER

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**PROCEEDING OF THE BOARD OF COMMISSIONERS
COUNTY OF JEFFERSON, STATE OF MONTANA
February 24, 2009**

Present: Commissioners Lythgoe, Weber and Kirsch; Tara Mastel and Tom Harrington, JLDC; Christina Ronayne, Boulder Chamber; Jan Anderson, *Boulder Monitor/Jefferson County Courier*; Cheryl Haasakker

REPORTS

Commissioner Lythgoe noted the receipt of the January cash report from the Treasurer's office.

CALENDAR REVIEW

2/26 DES meeting - Bozeman - 10:00
2/27 Survey Committee - 9:00
Community Change roundtable discussion - 1:00

COMMISSION REPORTS

BOULDER CITY COUNCIL

Commissioner Weber reported that he attended the Boulder City Council meeting the previous Thursday night. He encouraged them to appoint a representative to Headwaters. They were concerned with the costs and wanted more information. He is putting Headwaters in touch with them.

BUTTE – SILVERBOW COMMISSION MEETING

Commissioner Weber reported that he attended the Butte-Silverbow Commission meeting to talk about the partnership strategy and the overall forest plan and why they should consider coordination with the Forest Service and how it affect their local economies.

BEAVERHEAD-DEERLODGE FOREST PLAN

Commissioner Weber reported that he went to the Dillon Forest Supervisor's office on the 19th in February 24, 2009 minutes.wpd

preparation of the new forest plan record of decision on the 20th. The decision has come out, but we have not received our copy yet.

EXIT INTERVIEW

Commissioner Weber reported that the Commissioners met with the auditor on the 20th for an exit interview. There were some minor findings, but nothing of major consequence.

LIBRARY BOARD

Commissioner Weber reported that he met the previous day with Jennifer Wise on library issues. She wanted a little historical perspective on where the board has been and where it is going.

DUI TASK FORCE

Commissioner Kirsch reported that he met with DUI Task Force on the 17th. It was a lengthy meeting, as they have a lot going on.

ROCKY MOUNTAIN DEVELOPMENT CENTER

Commissioner Kirsch reported that he attended the RMDC board meeting in Helena on the 19th. They will be getting some stimulus money, and he hopes to get a Head Start program in Boulder.

METAL MINES COMMITTEE

Commissioner Kirsch reported that on the 20th he had a metal mines meeting to discuss the grant program and get organized.

CENTER FOR MENTAL HEALTH

Commissioner Lythgoe reported that he was in Great Falls the previous day for a Center for Mental Health governing board meeting. They have been busy dealing with some legislative issues and attempts to take away some funding that they are used to having.

COUNTY INSURANCE

Commissioner Lythgoe reported that the Commission had a meeting with EBMS that morning, our insurance carrier. They met with Gary Habutzel and Pete Shatwell. Gary is on the health side, and Pete is on the wellness side. In the past, they tried to have some wellness meetings with county employees which were not well attended. It was mentioned that they might be better attended if there was some actual screening going on, blood work, etc., rather than just lectures. They are going to try to put a program together that will include some of these things. The wellness piece is important, but we weren't getting any attendance with the classroom setting.

JLDC

Commissioner Weber reported that he attended the JLDC meeting the previous week in Commissioner Lythgoe's absence.

UNION NEGOTIATIONS

Commissioner Lythgoe reported that we have received notice from the union that they are ready to begin the negotiation process.

CORRESPONDENCE

Commissioner Lythgoe read a letter from Lloyd Rue regarding the meeting to discuss the proposed Forest Park RISD (on file in the Clerk and Recorder's office). He attended the meeting and is unsure of the process to follow. He also had some suggestions for the county regarding the maintenance district. Commissioner Lythgoe stated that he talked to several people after the meeting, and he is sure that the Commission has not heard the last of the Forest Park RSID.

Commissioner Lythgoe noted the receipt of a letter from the Montana Fish and Wildlife Conservation Trust soliciting projects for funding.

Commissioner Lythgoe read a letter from the Clancy School Board. The school board had voted to discuss possible long-term, low-cost lease options for the entire old schoolhouse building. He asked if this is something that they want to pursue. Commissioner Weber stated that the Clancy library subcommittee is pursuing this. A letter will be sent acknowledging the receipt of the letter.

ITEMS FOR COMMISSIONERS ACTION OR REVIEW

DISCUSS AND DECIDE ON COMMISSION TAKING THE ROLE OF PURSUING GRANTS FOR THE HORIZONS RESOURCE COMMITTEE

Commissioner Weber stated that the Commission was approached by several members of the committee to consider taking on the role of the agency that applies for grants. The other option is that they pursue a 501(c)3 designation, but this is expensive and time-consuming. He called for comments.

Jan Anderson, stated that she missed the last meeting of that committee, so she is not sure if the Commission is aware of what the primary grant that they would like to get would be for, and that is to fund a position that would run the office, answer the phones, and schedule appointments. Commissioner Weber stated that he guesses he missed that part of it; he was aware that they wanted to get people there, but he didn't realize that they wanted to fund a position to actually sit there and be available. Jan said not necessarily to have an employee, but to be able to cover the associated costs of a volunteer. Commissioner Lythgoe said that he thinks it is appropriate for the Commission to take on the role of pursuing grants as long as the Resource Committee is the one writing the grants and doing the research.

Commissioner Lythgoe moved that the Commission take of the role of pursuing grants for the Horizons Resource Committee. Commissioner Kirsch seconded. The motion carried.

BOULDER CHAMBER – PRESENT MAIN STREET PROGRAM

Christina Ronayne, Boulder Chamber of Commerce, stated that last fall she was asked by the Chamber to attend the Main Street Conference in Butte to gather information on what the program was. In 2008, an application had been submitted for Boulder to be a part of the Main

Street program and it didn't get enough acceptance or approval by some entities in town. They wanted to revisit the Main Street Program, what it is, what it would look like for Boulder, is it something that Boulder would want to be involved in. If Boulder is interested in being involved, they would need the support of the whole community, including the City Council, the Commissioners, the businesses, community members and organizations. Today, she just wanted to give the Commission some information on the program and invite them to a presentation on March 11th at 6:30.

Commissioner Lythgoe asked what the problem was the last time. Christine said that there wasn't enough support from some of the community entities in town. She believes that the City Council decided to table the application, wanting some support from some entities. The Chamber didn't realize that an application had been submitted and they didn't know what the program was so they didn't support it at that time not knowing that it was out there. The Chamber decided because it works with the downtown business district, that the Chamber needed to know what was going on and support it if Boulder as a community wanted to move forward with it. Commissioner Lythgoe asked if she feels that the downtown businesses are willing to support this. Christina said that they have talked to some of the businesses and they are willing to come to the presentation and get more information about the program. The program was created for small, rural communities to help revitalize their business districts. This is a technical assistance program that takes communities step-by-step through areas that they need to look at. The four main areas are organization, promotion, design, and economic restructuring. Christina noted that this is a long-term process and requires long-term planning.

The Chamber is asking that the Commission attend the presentation to get information on how the program works, the costs, etc.

Commissioner Weber said that at the Town Council meeting it sounded like they were going to try to have the presentation at the City Hall during their meeting. Christina said that this has been discussed, but space could be a problem. Commissioner Lythgoe said that the courtroom could be made available.

Commissioner Lythgoe said that he is assuming that the Chamber would take the lead. They are pretty active in Boulder. Christina said that if there is enough interest, there are several ways to go about this. 501(c)3 status is required, but the money can be funneled through the Chamber, but more people would have to be involved than just the Chamber members.

Commissioner Lythgoe stated that they think that this is worthwhile. He thinks that what MDT did with Main Street is a step in the right direction. He has always hoped the Boulder could become a "real" town, with a theatre, a real motel and that storefronts could be dressed up.

Commissioner Weber said that the mission statement of the Main Street Program is very similar to the JLDC's and Headwaters'. They could dovetail together very well. Whitehall has signed up for this program also.

DISCUSS AND DECIDE ON RETENTION OF METAL MINES GRANT PROGRAM

Commissioner Kirsch reported that he met with the north-end committee and Tom Harrington. The feeling of the committee is that the grants should continue. The funding for the next cycle was suggested to be set at \$50,000.

Commissioner Kirsch moved to continue with the north-end metal mines grant program at the funding level of \$50,000. Commissioner Lythgoe said that he appreciates the motion, but he thinks it is a little premature, and called for discussion.

Commissioner Weber reported that the south-end committee has met and they feel that the grants should continue also. Looking at what has been accomplished in the Whitehall area through the grants, they feel that it is a very worth-while program. Because they have had the grants for a number of years, they felt that the funding level could be lowered. No limit was set, but \$15,000 was discussed. Commissioner Lythgoe stated that on the south end, it is almost a necessity that they lower the amount, as they only have \$259,000 left.

Commissioner Lythgoe asked if there was any discussion that maybe the loan piece of the program be emphasized more than it is. It was stated that it was not. Commissioner Lythgoe asked Tom Harrington if this has been discussed at all.

Tom Harrington said that on the loan side, the thinking is that as it is a loan and the money comes back, so it is pretty much static. Tom said that he was able to attend both of the meetings and have been part of this for quite a while. The committees appreciated that the Commission is looking at this. They realize that we have some tough financial times with mining and the economy the way that it is. What he took away was that they thought it was a really good public process to be involved in the expenditures. He also saw a willingness to reduce the funding amount. Commissioner Weber said that in previous meetings on the south end, they have discussed the loan program.

Commissioner Lythgoe asked if there was any discussion about some of his concerns as to that yes, some of the grants have been excellent, and where they may not have created FTEs, they have enhanced the community to the point where it really makes a difference and could be interpreted that could have an economic benefit, but some of the grants didn't come close to meeting any of the criteria that these grants, the economic development piece are meant to achieve. Commissioner Weber said that on the south end they did have this conversation, to the point where they discussed if they should look at grant process. It was decided that no change needed to be made to the requirements, but that the applications be looked at more closely to make sure that the criteria are being met. They agreed to look harder that they are meeting criteria. The process is good, it is open to the public, there are good criteria, but the applications need to be looked at harder.

Commissioner Kirsch said that they had a similar discussion. The applications are graded with economic development being the guideline. They agreed to pay more attention to the economic development. The board that he dealt with, he was on the board the last cycle, was fun, stressful – all the members wanted to come back and work on the next cycle of grants. Everyone was pleased with the last cycle.

Tom said that the heart of it is, if you look at the grant, there are direct and in-direct benefits.

What the committees have agreed to do is to look at these more closely. The Commissioners really miss out by not attending the all-day committee meeting and hearing all of the background, questions, and discussion that goes on.

Commissioner Lythgoe said that he is sure that this is one of the reasons that when the first grant recommendations came in and the Commission turned some of them down, that the grant committee was pretty up in arms that the Commission would second-guess them and the decisions that they made. From that point on, the Commission just rubberstamped these things because, number one, they didn't want to give less value to these people and the job they were doing. It was brutal enough that we didn't want to face that again, and have rubberstamped the grants. He thinks that if the Commission understands all of the work and discussion that goes into making the decisions, that the Commission should follow recommendations. On the other hand, if the Commission sees something blatant, from their perspective, that the committee would understand. However, if the Commission denies a recommendation, committee should have the chance to come before the Commission and defend their recommendation.

Commissioner Weber said that after having attended the meetings for the past four or five years, he can attest that the committee grills the applicants and asks the tough questions. Commissioner Lythgoe said that Commissioner Weber would have to agree that there are some applications that were the climate different, we should have denied. Commissioner Weber said that he thinks that the committee probably would have said no too. He thinks the committee has a sense of the Commission wanting these grants to go out and they have gotten out of their comfort zone. Commissioner Weber said that just as much as he has wanted them to review them, he should look hard at the beginning of the process; there are some grants that he shouldn't have even taken to them. They have had those discussions as well, where he has had to honestly say that he should not have brought an application forward. He only did so because he respects the committee and wants them to have that opportunity, but they have asked that he not bring them forward if they don't meet the criteria, as they expect the same thing from the Commission. If both sides are honoring the process and doing what is on paper, he thinks it will be tighter.

Tom said that as they look at the evolution of the program, they have had some growing pains. One solution they came up with is to have a Commissioner sit on the committee, so that they are aware of all the dialog that goes on. He doesn't think that any of the committee members have any qualms with the Commissioners having final say on the grants; that is pretty much understood. Tom said he takes a bit of exception at the rubber stamp comment, from the standpoint that he has come before the Commission and presented grants before and he has seen the Commission put him on the spot as the Chair of the south-end committee and he has seen the Commission put stipulations and requirements on grants that the committee did not recommend because of the discussions that took place during the Commission meeting.

Cheryl Haasakker said that she has attended some of the meetings where the grants were reviewed. The committees should be commended for all of the time they put into the process. She noted that it would be a lot easier for the committee if all of their questions were answered at the public meetings, without having to put in extra hours of research because people weren't in attendance at the meetings and so couldn't answer the questions. It might make things go a bit

more smoothly if applicants were required to attend the meeting. Commissioner Weber said that this is part of the commitment he will make – if an application is incomplete, the committee won't even see it. The qualifications are clearly defined in the application.

Jan said that she wanted to point out that the process works well when done properly. She noted that Christina, who spoke earlier, is paid from a grant from the metal mines committee. She would not be available to do important work if it were not for the grant money. Commissioner Weber stated that the fact that the grants do work so well is why the committees want them to continue so badly. The grants have been a vital engine for driving positive change in the south end, and now in the north end also. It isn't that they just want to give money away; it is because of the positive things that it is changing. Commissioner Lythgoe stated that overall, he has supported the grant and loan program. The reason he brought this forward is that he has become very concerned with the next several years in Jefferson County and where we are going to find the money to do the things that we need to do. He has become very concerned with the money being used up too quickly.

Commissioner Weber moved to continue with the grant program with a \$15,000 funding level on the south end and a \$50,000 funding level on the north end. Commissioner Kirsch seconded. Commissioner Weber stated that one of the first things that Commissioner Lythgoe taught him when he first became a Commissioner is that economic development is number one, a nebulous activity that is hard to pin down and number two it can take a long time to see a reward for these efforts. These grants are very short-term and they put a spotlight on those efforts. The motion carried.

DISCUSS AND DECIDE ON A RESOLUTION FOR A LOAN OR GRANT FOR THE SUNLIGHT BUSINESS PARK

Tom Harrington, JLDC Manager, stated that at the last JLDC meeting, the board decided that a loan would be the best way to go. They are going to request that the match funds come from a metal mines loan. They are requesting \$655,000.

Tom said that a couple of good things have happened recently. They got their discharge permit from DEQ last week. The TIF district is moving forward, and they are looking at this being the primary source for paying back the loan. They have kicked around some potential terms if this is approved by the Commission, and they are looking at going with a 40 year amortization with a balloon payment in 15 years. They also discussed a 4% interest rate, with the first 3 being accrual of the interest only and going to the payment process on year four. This would give some time for the businesses to get going. They are also proposing that the TIF District will have 20% earmarked for paying back the loan. Looking at five years to have phase 1 completed.

Commissioner Lythgoe asked where they came up with the 20% TIF figure. Tom said that they used the formula of \$3,000 per \$1 million in tax development. They are looking at \$10 million in the initial phase of the park. There are 13 lots and they are looking at a little under \$1 million per lot when they develop. Commissioner Lythgoe said that 20% of the taxes that are created will be used to pay back the loan. Tom said that this is correct; the remaining 80% will be used to maintain the infrastructure also start building the fund to expand into phases two, three and four. Commissioner Lythgoe said that his understanding is some of the taxes come to the county.

Tom said that is correct, but the bulk stays in the district for infrastructure development and maintenance. Commissioner Lythgoe said that he thinks that the percentage of the TIF for loan repayment should be negotiable, at least 20% but it could be more. Feels that interest rate should be 3%, and they should not be tied to the three years interest only. He asked if there is any language in there that if the project isn't going as planned that a portion or the entire loan could become a grant. Tom said that they would leave that option open, but in case something did happen this could be looked at when the balloon payment becomes due.

Commissioner Weber said that it seems that there will be several opportunities throughout the life of this to review the details of the loan. Tom said that this is a good point, and the loan could be set up to provide for periodic reviews. Commissioner Lythgoe said that his suggestion would be that those first years be interest free.

Tom said that they got a call from Senator Tester's office, and \$142,500 of stimulus money has been earmarked for the Sunlight Business Park, the only project in Jefferson County. They did talk with the EDA and they need something from the Commission in support of the loan.

Commissioner Weber move to loan the JLDC \$655,000 from the metal mines loan account, with a 40 year amortization, 3% interest, no payments or interest for the first 5 years, with the stipulation that if the TIF district is formed a minimum of 20% of the increment financing will be used to pay the loan, a 15 year balloon, payments to start after those first 5 years, in the amount of \$32,000/year. Commissioner Lythgoe seconded. The motion carried.

DISCUSS AND DECIDE ON FUNDING EMERGENCY REPAIRS TO THE BASIN COMMUNITY HALL

Commissioner Lythgoe stated that Jim Culbert, a Basin Fire Trustee, came before the Commission the previous week requesting \$3,500 for some emergency structural repairs to the Basin Community Hall. The Fire Department does have some money in the Community Hall line item, but that money is needed to pay for routine upkeep of the Hall. He spoke to Bonnie, and the Community Hall does belong to the Fire Department. Commissioner Kirsch said that he would like to put this on hold for at least another meeting. It is his understanding that they have some money in a fund not associated with the Fire Department. They also had a fundraiser the previous weekend.

DISCUSS AND DECIDE COMMISSION'S RESPONSE TO COMMISSIONER WEBER'S INVESTIGATION OF AN EMPLOYEE GRIEVANCE

Commissioner Weber stated that he gave the Commission his report at the previous meeting regarding Step 3 of the MEA-MFT union contract. Cynthia Kriezwald filed a written appeal regarding her termination with the County Commissioners. Pursuant to Step 4 I, he investigated the allegations by Cyd stating that the Library Board acted improperly in terminating her employment. It was his opinion that the Board acted properly and that the Commission should ratify their decision. They did receive a notice of a grievance on January 29th that was filed on December 22nd Cyd and her union representation stating that they feel that the Library Board violated the contract and asked to be reinstated and provided relief deemed appropriate.

Commissioner Weber said that his investigation shows that the Library Board acted appropriately and the Jefferson County Commission should deny the grievance and the relief sought by Cynthia Kriezwald.

Commissioner Lythgoe asked if there is any further discussion. Hearing none, Commissioner Lythgoe moved that the Jefferson County Commission ratify the decision that was made by the Library Board as it relates to the termination of Cynthia Kriezwald, and that they concur with their decision in all aspects of their decision. Commissioner Kirsch seconded. The motion carried.

Jan asked for clarification of the articles and section of the union contract mentioned. Commissioner Weber said that to abbreviate, it states that they won't be relieved of their duties inappropriately or for no cause.

OPPORTUNITY FOR PUBLIC COMMENT

Jan Anderson stated that the Chamber hired two part-time people to perform the tasks related to the grant. One has since resigned. The Chamber would like some revision to the website, which she can do under contract. The Chamber would like to pay for that with the grant money. Commissioners Lythgoe and Weber said that this doesn't need to come before the Commission; the Chamber can do that.

Commissioner Weber moved to adjourn. Commissioner Lythgoe seconded. The motion carried.

MEETING ADJOURNED

ATTEST:

BONNIE RAMEY
CLERK AND RECORDER

TOMAS E. LYTHGOE, CHAIR

KEN WEBER, COMMISSIONER

DAVE KIRSCH, COMMISSIONER